

Transportation Funding Task Force (TF2)
Lansing Community College, West Campus
September 8, 2008

Final Meeting Minutes

Meeting began at: 9:10 a.m.

Members Present: Rep. Pam Byrnes, Dennis Gillow, John James, Mike Nystrom, Roger Salo, Peter Varga, Susan Zehnder, and Rich Studley.

The meeting was called to order by Mr. Gillow and the task force members introduced themselves for the benefit of the audience. The meeting minutes from the August 11, 2008 were approved unanimously. Public comment was offered in the morning, noon, and late afternoon sessions.

Public Comment

Jim Walker (National Motorist Association) testified advocating for free travel mobility for all motorists, traffic safety, and safety-based traffic law enforcement. Mr. Walker expressed concern about transportation-related taxes and the quality of Michigan's roads. Mr. Walker stated that the NMA would support tax increases that are dedicated to roads, providing the funding is not diverted for unrelated purposes.

Casey Dutmer (Disability Advocate) stated that not much progress has been made since the transportation summit and urged the TF2 to be visionary. Mr. Dutmer commented that more funding needs to be dedicated to transit and the task force should look at other states to see what they are doing. Mr. Dutmer believes that good public transportation serves everyone, fosters economic development, and should be considered an investment not a subsidy.

Lance Malberg (Oceana Road Commission) urged the task force to look at how transportation funding is distributed to local units. Mr. Malberg believes there is plenty of funding to support transportation, but the PA 51 formula needs to be changed to level the playing field. Mr. Malberg stated that the funding formula might be fairer if lane miles and/or traffic volumes were used instead of centerline miles and population.

Glen Ashley (United Cerebral Palsy – Michigan) discussed the need to stop subsidizing urban sprawl and invest in infrastructure that promotes jobs. In addition, Mr. Ashley pointed out the importance of intermodal cooperation, investing in all modes, and recommended that transportation funds not be raided by the general fund.

Carolyn Grawi (Centers for Independent Living – Ann Arbor) advocated for additional funding for transportation systems to improve accessibility and to ensure that when infrastructure is built, accessibility is addressed during the project and not after it is completed.

Presentations

Dana Debel (Northwest Airlines) provided information on NWA - Michigan operations and how rising fuel costs are impacting the airline. Ms. Debel indicated that NWA is projected to spend over \$2 billion more than last year for fuel. Ms. Debel requested that the task force be cognizant of the rising costs of fuel and how the 6% sales tax and use tax on fuel impacts the airline's balance sheet. Ms. Debel presented the idea that commercial airports have other options to increase funding, such as landing fees, passenger facility charges, and bonding authority.

Melissa Roy (Detroit Regional Chamber) informed the task force of the Chamber's TransLink efforts to address funding, infrastructure, and economic development in the Detroit area. Ms. Roy discussed government funding and infrastructure drivers, the need to "shore up" current funding, and future funding strategies. Ms. Roy concluded with several Chamber priorities, such as technology, keeping projects out of political process, and implementing public private partnerships.

Terri Blackmore (Michigan Transit Advisory Group) provided a brief overview of the Michigan Transit Vision Summary to the task force. Ms. Blackmore explained how transit promotes economic development and the importance of transit to Michigan residents. Ms. Blackmore believes transit services have been under-funded for decades and outlined the barriers to achieving a statewide transit vision. The presentation concluded with recommendation to improve the current transit system (i.e. stabilize funding, increase mobility options, integrate the various modes, and allow local funding options).

Discussion

Tim Hoeffner (MDOT) reviewed the progress the task force has made to date and discussed current events of interest, including the recent decrease in oil prices, the continued drop in state fuel tax revenues, and immediate changes to the federal reimbursement process being undertaken in light of the imminent shortfall in the federal Highway Trust Fund.

Work Sessions

Polly Kent (MDOT) led the task force through a facilitated work session to develop and prioritize a list of potential funding recommendations for aviation, local funding options, and public private partnerships. During the afternoon session, the results of the facilitated work session was summarized for the task force and additional comments solicited.

Follow up:

Michigan Department of Transportation Action Requested

- 1) Provide a comparison of the performance of various select revenues sources over time (i.e. sales tax, local property tax, motor fuel taxes, and vehicle registration fees).
- 2) Conduct research on what legislative/constitutional changes are required to implement the recommendations made so far.
- 3) Consult with the Department of Treasury regarding the legality of a local sales tax under a multi-state agreement.
- 4) Provide a recommendation to the task force on highways that could be tolled.

The meeting ended at 3:40 p.m.